

ORIGINAL
RECEIVED
JUL 26 1999
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

DOCKET FILE COPY ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
) CC Docket No. 98-170
Truth-in-Billing and)
Billing Format)

AT&T Petition for Reconsideration

Pursuant to Section 1.429 of the Commission's Rules, AT&T Corp. ("AT&T") submits its petition for reconsideration of the First Report and Order.¹ Specifically, AT&T requests the Commission to reconsider its decisions to require carriers: (1) to use specific labels to describe line item charges relating to federal regulatory action and (2) to provide specific information requiring the identification of "deniable" and "non-deniable" charges for business customers.

I. USE OF SPECIFIC LABELS

AT&T's position on the first issue has been presented to the Commission in its comments and reply on the Further Notice of Proposed Rulemaking ("FNPRM"), which are incorporated by reference here.² Numerous other commenters

¹ First Report and Order and Further Notice of Proposed Rulemaking, FCC 99-72, released May 11, 1999 ("the Order").

² AT&T Comments, filed July 9, 1999, pp. 2-5; AT&T Reply, filed July 16, 1999, pp. 1-4.

No. of Copies rec'd 044
List A B C D E

on the FNPRM raised similar issues, and AT&T will only briefly allude to them here.³ Briefly stated, the comments there showed that Commission's decision to require carriers to use mandated labels to describe line item charges related to federal regulatory action:

(1) raises serious constitutional issues, especially in light of the fact that there is no empirical evidence that the proposals offered by the Commission (or any single set of labels) is any more effective than current carrier practices; and

(2) is completely inconsistent with the flexible, guideline-based approach the Commission took on every other issue in the Order.

Thus, the Commission's decision raises significant substantive and procedural legal issues.

In addition, the comments showed that the Commission's rule is poor public policy, because it

(3) is unnecessary in light of the Commission's other rules requiring all billing information to be clear and non-misleading;

³ See, e.g., Comments of CTIA, pp. 3-7; MCI WorldCom, pp. 2-11; U S WEST, pp. 1-2.

(4) will not in any event achieve the Commission's intended practical objectives and is inconsistent with standard consumer advice that customers should look at the total price they pay for telephone service, not just the charges of particular service components;

(5) generates additional costs and technical issues for carriers; and

(6) creates additional confusion, as carriers and consumers are returned to square one on this issue.

In sum, there is little legal or policy basis for the Commission's rule. AT&T thus urges the Commission to rescind the rule and permit the market to provide the best solution.

II. "DENIABLE" AND "NON-DENIABLE" CHARGES FOR BUSINESS CUSTOMERS

AT&T also requests that the Commission reconsider in part its requirement that carriers identify for business customers whether nonpayment of specific charges will permit a carrier to disconnect the customer's local service. Specifically, AT&T asks that the Commission permit carriers to utilize alternative means of notification (such as web-based solutions) concerning

deniable charges for business customers. AT&T's requested modification would do no harm to the intent of the Commission's rule that such customers should have access to information concerning the "deniability" status of certain charges, but merely would permit carriers to accomplish the Commission's objectives in a more practical and cost-effective fashion.

The Commission's rule would require carriers to provide customers with specific notification *on the telephone bill* concerning deniable and non-deniable charges, i.e., whether the failure to pay a given charge could result in the denial of local exchange service. While the technical and programming efforts to implement that requirement in the case of residential customers are not inconsiderable in their own right, for business customers -- particularly those with operations in multiple jurisdictions -- the implementation of those rules will be needlessly complex, burdensome and expensive when compared to AT&T's proposed alternative.

AT&T uses more than a dozen billing systems to bill its business customers. Those systems do not currently provide on customer bills the information concerning the deniability or non-deniability of charges required by the Order. Thus, each would have to be modified to bring it

into compliance. The amount of work required will be particularly significant with respect to the billers which AT&T uses for its for its "high-end" or multiline business customers. These systems do not have the capability of highlighting particular charges on a bill and advising customers that non-payment of such charges will result in cancellation of local service, or of adding notification language on the bills that would provide comparable information.⁴ AT&T estimates that it would cost over \$4 million dollars to implement the billing system changes necessary to provide the requisite notifications on its business customers' bills, and that it will take at least twelve months or more of development time to put such changes into effect for all systems.⁵ Even with the expenditure of this time and money, it is entirely possible

⁴ AT&T's billing systems for high-end customers have very limited messaging capability, and typically can include only a line or two of text on a bill. Messages of that length would be inadequate to provide the necessary information to large business customers, who may have operations in dozens of states that have different policies on "deniability."

⁵ This development work would be primarily aimed at modifying the high-end billing systems to permit multiple messages to be added to the bill, so that information on the deniable/non-deniable charges for each state could be printed on the bill. Addition of such enlarged messaging capability involves a substantial redesign of the billing format and structure.

that customers will find the final results to be inconvenient and less useful than simpler alternatives such as web-site notification.

For example, customers sometimes ask AT&T to organize bills by department or group rather than geography. A bill for a single department could, therefore, involve modest amounts of telecommunications services in many states. AT&T's billing systems would potentially have to print pages of deniable/nondeniable notification messages for the various states on that department's bill, with the same masses of information duplicated on bills for all the other departments in the company. By contrast, a web-site can provide easily assessable information on deniable and non-deniable charges on a state-by-state basis and can be far more user-friendly, convenient and informative than repetitive messages on customer bills. Given the higher level of telecommunications sophistication of business customers, AT&T submits that alternative means of notification would not only be far more cost-effective, but more useful and informative to the business customer. Moreover, a web site containing the necessary information

on deniable and non-deniable charges could be implemented in a matter of weeks and at modest costs.⁶

Accordingly, AT&T requests that the Commission reconsider its rule on "deniability" for business customers and permit carriers to utilize alternative means for providing business customers with information regarding whether payment of billed charges may affect their local exchange service.


CONCLUSION

For the reasons stated above, the Commission should rescind the requirement that carriers use mandatory labels to refer to line item charges relating to federal regulatory action and modify its "deniability" rules relating to business customers in the manner proposed above.

Respectfully submitted,

AT&T CORP.

By



Mark C. Rosenblum

Richard H. Rubin

Its Attorneys
295 North Maple Avenue
Room 325213
Basking Ridge, NJ 07920
(908) 221-4481

July 26, 1999

⁶ Customers could be directed to the website through periodic brief messages on their bills, which would be feasible utilizing the limited messaging capability that the high end billing systems currently possess.